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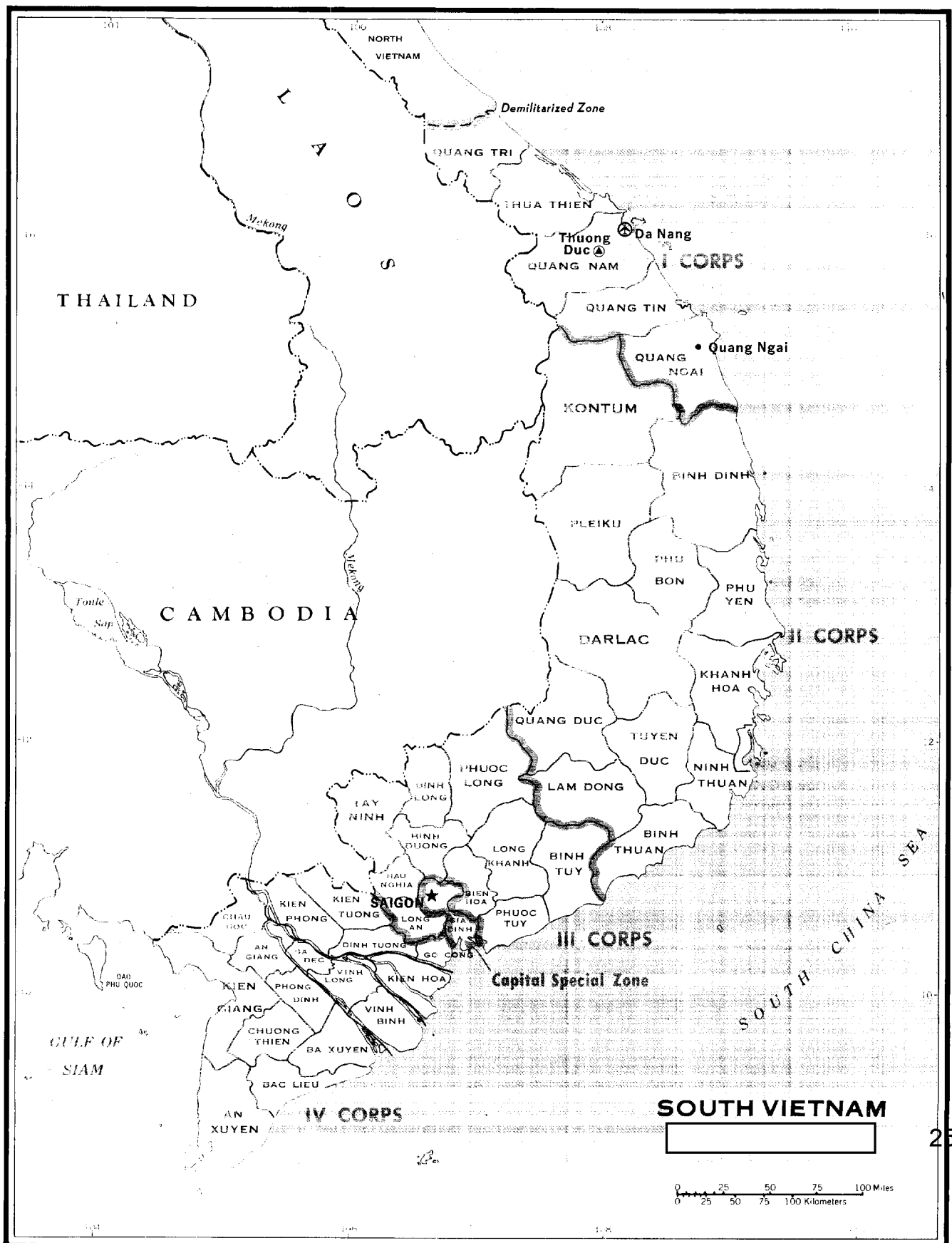
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[South Vietnam: Military action was limited to several small-scale shellings and ground clashes over the weekend.

The Communists conducted their first rocket attack against Saigon in six weeks when three 122-mm. rockets hit the capital on 29 September. A South Vietnamese policeman was killed and five civilians were wounded, but material damage was negligible. Da Nang airfield was hit by five rockets the same day and suffered minor damage.

The most significant enemy ground attacks occurred in I Corps. The Communists lost 62 killed in an unsuccessful assault on the Thuong Duc Special Forces Camp in Quang Nam Province. The enemy subsequently overran two small nearby outposts, however, and seized two villages from which they continue to threaten the camp. In Quang Ngai Province, the Communists entered a village near the provincial capital and burned several schools and houses.

* * * *

President Thieu is trying to assure that the return of popular General "Big" Minh from exile in Bangkok will help unify South Vietnam behind the government rather than threaten it with a more potent opposition.

Although Thieu has stated publicly that Minh would have all the rights of any citizen and could form a political party if he wished, the South Vietnamese President clearly would not welcome such a development. Accordingly, he has sent the minister of interior, General Khiem, as his personal representative to discuss the conditions for Minh's return.

The Bangkok press has reported that Minh will return to his homeland on 1 November, the fifth anniversary of the coup he led against President Diem,]

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[allegedly because he wants his return to be a symbol to unite all factions against the Communists. This line fits well with that of the Thieu government, and it may have been given to the press by General Khiem without Minh's concurrence.

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World Communist Conference: The preparatory committee convenes today in Budapest with the delegations divided over whether to postpone the world conference scheduled for November.

Moscow apparently would like to proceed as planned. Important West European parties, however--notably the Italian and French--have never been enthusiastic about the conference and have publicly requested postponement because of their dissatisfaction with the Czechoslovak intervention. Moscow's close East European allies have little choice and many smaller parties little inclination but to go along with the Soviet position.

Confusion and disarray have characterized preliminary caucuses of key parties during the past few days, and may carry over into today's full session. The preliminary meetings originally called to put the finishing touches on documents for the November conference have in fact reduced the agenda for the present session to two items: the Czechoslovak situation and the question of postponement. Moscow may in the end decide to go along with postponement to avoid open and bitter clashes among the delegates over the Czechoslovak invasion.

Although at least 41 parties are represented in Budapest, six of the fourteen ruling Communist parties continue to boycott the preparatory meetings. As at the last preparatory conference, Rumania has sent only low-level representatives as observers.

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Indonesia-France: Agreement has been reached between Indonesia and France on a draft for a joint program for development of atomic energy for peaceful purposes.

Under the terms of the agreement, [REDACTED]

[REDACTED] the French Atomic Energy Agency is to be appointed as sole contractor with exclusive rights to explore Indonesian territory for deposits of uranium and other radioactive materials for a seven-year period. The agreement provides for an exchange of commercial and technical information on nuclear development, as well as measures to ease payments for purchases of needed equipment and installations. These provisions are likely to be of primary benefit to Indonesia. Implementation of the agreement awaits legislative ratification in both Paris and Djakarta, a procedure which is likely to require considerable time.

Indonesian President Suharto and a large segment of the military leadership have expressed considerable interest in the development of an Indonesian nuclear energy capacity. The current Indonesian atomic energy program is miniscule and Indonesia is aware that it is dependent on foreign assistance to make any progress in this field. Although there have been reports of uranium deposits in West Irian, there is little firm evidence that Indonesia possesses significant uranium resources. [REDACTED]

[REDACTED]

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Southern Yemen - Communist China: Communist China has agreed to provide its first economic aid to Aden.

Peking on 24 September extended a \$12 million interest-free development credit but did not commit itself to any cash assistance. Southern Yemen's foreign minister, in announcing the new economic cooperation agreement, did not mention specific aid projects. His delegation which has just returned from Peking had planned to discuss Chinese assistance in land reclamation and construction of roads and airports. He also announced that diplomatic representation between the two countries would be expedited. Peking has appeared eager to cultivate its ties with Southern Yemen since its independence last winter. By extending this aid, the Chinese may hope to preempt a significant Soviet presence there.

Neither the USSR nor the Eastern European countries have been particularly forthcoming in providing aid. Some small development credits may be in the offing, however. Experts from Hungary, Rumania and Bulgaria recently arrived in Southern Yemen to survey potential aid projects. [REDACTED]

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Okinawa: The decision of Japan's Komeito, the political arm of the Buddhist Soka Gakkai, to remain neutral in the Okinawan elections for chief executive in November enhances the prospects of the conservative candidate.

Komeito's position, announced last week, frees the vote of Okinawan Soka Gakkai members, many of whom are employed by the US military and have favored conservative Okinawa Liberal Democratic Party (OLDP) candidates. It is unclear, however, whether the Soka Gakkai vote--which the organization claims to be some 80,000--will tip the balance in favor of OLDP candidate Nishime over his leftist opponent. For its part, the Soka Gakkai leadership in Okinawa has not officially endorsed either candidate. In view of Soka Gakkai's disciplined control over the voting of its membership and the current prospects for a close contest, such an endorsement could be crucial.

For the past few months, the Okinawan elections have been a point of contention among Japanese Komeito leaders. Some feel that Komeito's failure to support the Okinawan leftist coalition will tarnish Komeito's credentials as an opposition party in Japan, particularly since the Japanese Socialists and Communists are supporting their counterparts in Okinawa. When party secretary-general Yano confirmed, however, during a visit to the Ryukus earlier this month, that the Okinawan Soka Gokkai favored Nishime, Komeito opted for neutrality to avoid alienating its Okinawan affiliate.

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Mexico: Troops have been ordered to withdraw from the national university, but student strike leaders remain defiantly determined to continue pressing their demands. The strikers announced after a rally on 27 September that a dialogue with the government is not possible until all detained students are released and until the "repression" by the government ceases. One student group has proposed a truce for the period of the Olympic games, but there is no indication that it is being considered seriously. A women's protest march, reportedly by mothers and relatives of prisoners, is planned for today, and a larger general rally is scheduled for 2 October.

* * * *

India: As the summer monsoon period draws to a close, it is evident that the deficient rains have jeopardized crop prospects in as many as six Indian states. Summer foodgrain production will not surpass last year's record level, and without good rains soon it may be several million tons less. The paucity of rain has also adversely affected the outlook for some important commercial crops such as jute and cotton.

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Sierra Leone: Animositities between the country's two tribally based political parties are growing. Newspapers of the opposition Sierra Leone People's Party have viciously attacked Prime Minister Stevens and his policies and seem to be challenging the government to suppress them. Reports of new political disturbances upcountry are filtering into Freetown while army troops have been dispatched to maintain order in the south. To counter the turmoil, Stevens may not only silence the opposition press and curtail public meetings but also cancel scheduled by-elections in the south, where the opposition party is the strongest.

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South Africa: In an unexpected move, the congress of Natal Province's National Party rejected the guidance of the national leadership and elected its own local man as head of the Natal party. Although each of the party's provincial organizations in South Africa is essentially an autonomous unit, it was widely known that party officials in Pretoria were pushing hard for the election of Foreign Minister Muller to this post. The rejection of Muller was a reaction to Pretoria's heavy-handed efforts to install a "carpetbagger" and does not represent any split within the party.

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